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BASIS FOR CURRENT MANAGEMENT ACTIVITIES IN CIA

1. The following are quotations from a "Report to the Congress" by the so-called "Hoover Commission" on "Organization of the Executive Branch of the Government:"

a. February, 1949 - GENERAL MANAGEMENT OF THE EXECUTIVE BRANCH

"The Management function should be given more emphasis in the Executive Agencies and coordinated with that function in the Office of the Budget.

b. May, 1949 - CONCLUDING REPORT

"In several of the chief housekeeping services of the Government, there are shocking instances of wasteful practices and poor business management."

"*****this points to the need for continuous attention in each agency to the problems of internal management by studying work flow, organization, procedures, and employee utilization."

"To fill this need we recommend that responsibility for management research become a definite and continuing task of top management in every executive agency."

"We also recommend the strengthening of the Administrative Management Division of the Office of the Budget in order that the departments may receive additional assistance, guidance, and stimulation in this work."

"It is only by giving attention to the problem of economical and efficient management on a day-to-day basis that real gains in internal departmental efficiency can be achieved."

2. As a result of the recommendations of the "Hoover Commission", the President issued Executive Order 10072 dated 2 August 1949 directing, in effect, that management programs be installed in each agency and requiring periodic reports to the Bureau of the Budget on the progress made in establishing management improve-

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ment programs and the results achieved therefrom. This Order also directs the Bureau of the Budget to review department and agency plans for management improvement in connection with requests for funds and at other appropriate times, and to report periodically to the President on the progress and results of agency management improvement efforts.

3. By letter dated 1 August 1949 to Heads of Agencies, the President referred to Executive Order No. 10072 and requested the designation of one top official in each agency to be responsible for carrying out on an agency-wide basis an aggressive program to improve the effectiveness and economy of operations. The CIA Executive (now Deputy Director, Administration) was designated as the top official in CIA for this purpose.

4. Bureau of the Budget Bulletin No. 50-2 dated 1 August 1949 signed by the Director of the Bureau of the Budget reemphasizes the above referred to Presidential instructions and states, "Responsible officials in each department and agency should make certain that they can assure themselves and the President that their policies and programs are carried out effectively and economically, that possibilities for increased efficiency and economy are identified, and that adequate provision has been made for continually evaluating and improving performance."

5. Instructions for preparation and submission of annual budget estimates issued by the Bureau of the Budget now include the following statement:

- a. "Plans for management improvement. Each agency will submit a statement of the activities contemplated during the current year and budget year which are aimed at appraising and improving the effectiveness, efficiency, and economy of operations. This statement will include the activities to be carried out, whether by line officials or management staff, to evaluate and improve operations. (This management program will be considered in evaluating and examining financial requirements for agency operations.)"

6. A House Committee Report in connection with "employee utilization" submitted in December, 1950, contains the following statement relative to the Department of the Interior:

- a. "An adequate management improvement program should be devised in conformance with the provisions of Executive Order 10072."

7. Report from the same Committee on 1 January 1951 in connection with GSA states:

- a. "Management improvement activities in the General Services Administration appear to be above the average found in other agencies * * * * * however, the services are slow to adopt them and even slower in carrying out the improvements they suggest."

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8. Report from the same Committee on 1 January 1951 relative to several executive agencies also states:

- a. "The circumstances regarding management improvement programs in the agencies were a distinct disappointment to the Subcommittee. A presurvey analysis of this activity gave promise that this relatively new tool of management might be used as a means for attaining better utilization of employees in the agencies. On-the-spot surveys produced only infrequent evidence that this objective would be realized."

9. In a letter dated 24 November 1950 addressed to the Chairman, Committee on Expenditures in the Executive Departments, U.S. Senate, the Director of Central Intelligence included the following statement:

- a. "In addition, a continuing management survey and analysis is maintained in an effort further to increase efficiency and to reduce administrative personnel and costs to a minimum."